

State:	District of Columbia	Filing Company:	National Health Insurance Company
TOI/Sub-TOI:	H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness		
Product Name:	Employer Group Critical Illness Policy		
Project Name/Number:	/		

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	See general information tab
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Certificate of Authority to File
Comments:	
Attachment(s):	NHIC Authorizatn Letter 3-7-13.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	NHIC Actuarial Memorandum - CI - 20130314.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	see attached actuarial memorandum
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	NA this is a new filing
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
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State:	District of Columbia	Filing Company:	National Health Insurance Company
TOI/Sub-TOI:	H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness		
Product Name:	Employer Group Critical Illness Policy		
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Bypass Reason:	NA this is a new filling
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Rate Summary Worksheet
Bypass Reason:	NA
Attachment(s):	
Item Status:	
Status Date:	



February 28, 2013

Re: NAIC #82538 FEIN # 74-1541799
Critical Illness Policies and Related Forms and Rates

To: All Departments of Insurance

National Health Insurance Company hereby authorizes Insurance Compliance Consulting to represent us in the submission of the above-referenced forms and related outline of coverage forms, rates and actuarial documents and to negotiate with insurance departments for their approval.

Sincerely,

A handwritten signature in blue ink that reads "Michael Weiner".

Michael Weiner
Chief Financial Officer

National Health Insurance Company

Critical Illness Group Policy NHIC GP CI 2013
With Critical Illness Group Certificate GP CI 2013

Actuarial Memorandum

I. Scope and Purpose

This actuarial memorandum has been prepared for the purpose of complying with state regulations regarding the pricing of the referenced policy form. The specific purpose of this filing is to present the proposed rates for the referenced new policy form. This document may not be appropriate for other purposes.

II. Benefit Description

The referenced base policy form provides lump-sum benefits for diagnoses of specified critical illnesses. The benefit options that may be purchased are as follows:

1) Base Benefits

- a. **Category 1:** Heart Attack; Stroke; Heart or Heart/Lung Transplant;
- b. **Category 2:** Invasive Cancer, Cancer in Situ (a 25% benefit); and
- c. **Category 3:** Major organ transplant (Liver, Kidney, Small Intestine, Pancreas, Pancreas/Kidney and Bone Marrow); End stage renal failure.

2) Base Benefits plus Optional Benefits

- a. Benefits listed in 1);
- b. **Category 1 Optional:** CABG due to Coronary Heart Disease (a 25% benefit), Heart Valve Replacement/repair surgery (a 25% benefit); and
- c. **Category 3 Optional:** Advanced Alzheimer's Disease, Coma, Motor Neuron Disease/ALS, Paralysis, Severe Burns.

3) Cancer only

- a. **Category 2:** Invasive Cancer, Cancer in Situ (a 25% benefit).

4) Base Benefits Excluding Cancer

- a. **Category 1:** Heart Attack; Stroke; Heart or Heart/Lung Transplant;
- b. **Category 3:** Major organ transplant (Liver, Kidney, Small Intestine, Pancreas, Pancreas/Kidney and Bone Marrow); End stage renal failure.

5) Base Benefits Excluding Cancer plus Optional Benefits

- a. Benefits listed in 4);
- b. **Category 1 Optional:** CABG due to Coronary Heart Disease (a 25% benefit), Heart Valve Replacement/repair surgery (a 25% benefit); and
- c. **Category 3 Optional:** Advanced Alzheimer's Disease, Coma, Motor Neuron Disease/ALS, Paralysis, Severe Burns.

The lump-sum benefits are purchased in units of \$2,500 with a minimum purchase of 2 units and a maximum of 40 units. The benefit amount for a covered spouse is 50% of the benefit amount for the primary insured and the benefit amount for covered children is 25% of the primary insured.

The Multiple Payment Benefit is a feature of the Policy, which allows for multiple payments from each category of Covered Conditions. The maximum Benefit Payment available in each Category is 100% of the Initial Benefit Amount. There shall be only one Benefit Payment for each Covered Condition. There shall be only one Benefit Payment per 180-day period from all three categories combined. However, the 180-day limitation does not apply to Benefit Payments within the same category.

If a First-Ever Diagnosis of a second event in a different Category occurs within the 180-day period after a Benefit Payment, hence not an eligible claim, a subsequent occurrence and diagnosis of that Covered Condition will be considered a First-Ever Diagnosis under the Policy. If more than one Covered Condition is diagnosed at the same time, the Benefit Payment shall be based on the larger Benefit Amount of those diagnosed. If the Benefit Amounts are the same, there shall be only one Benefit Payment per 180-day period.

Benefits reduce by 50% upon a covered person's attainment of age 65. All coverage terminates on the policy anniversary following the Certificateholders' attainment of age 70.

Depending on participation, a Reduced Benefit Period applies to any claim by an association member for Invasive Cancer or Cancer In Situ which occurs within the first [30][60][90] days of coverage. A Reduced Benefit Period applies to any claim by an employer group member for Invasive Cancer or Cancer In Situ which occurs within the first 30 days of coverage. Claims submitted during a Reduced Benefit period are equal to 10% of the Maximum Benefit Amount, and the Cancer benefit is then terminated.

Coverage is generally subject to a pre-existing condition provision. For takeover groups this provision and any waiting periods may be waived for each month prior coverage was in effect, for up to 12 months.

III. Applicability and Renewability

The referenced policy form will be issued to qualified employer and association groups and certificates will be issued on an individual basis and will be guaranteed renewable to the policy anniversary following the primary insured's attainment of age 70. The premium rates presented in this filing will be in effect from the date of state approval. There is no currently in-force premium to which these premiums will be applied.

IV. Morbidity

Assumed claim costs for these policy forms were developed from industry experience and published sources. Data sources include the following:

Category 1

National Health Statistics Reports, Number 29, October 26, 2010 Table 3

American Heart Association - Heart Disease and Stroke Statistics 2010 Update - Section 3

(<http://optn.transplant.hrsa.gov/data/>)

Stroke – CDC Nationwide Inpatient sample of the Healthcare Cost and Utilization Project based on hospital coding in 2006-2007

National Health Statistics Reports, Number 29, October 26, 2010 Table 9

American Heart Association - Heart Disease and Stroke Statistics 2010 Update - Section 13

Heart Transplant – Organ Procurement and Transplantation Network Data

Category 2

Cancer – Age-specific SEER incidence rates 2003-2007

Carcinoma in situ – Per footnotes of Table I-1

Category 3

Transplant – Organ Procurement and Transplantation Network statistics: 56,437 additions to waiting list for organ transplant in 2009

ESRD – US Renal Data System, 2010 Annual Data Report, Appendix A, Table A2

Alzheimer's - 2011 Alzheimer's Disease Facts and Figures

Coma – 2007 National Hospital Discharge Survey, Table 47

Paralysis – National Spinal Cord Injury Statistical Center, 2009 Annual Statistical Report, Table 28

Motor Neuron Disease/ALS - BMJ2008;336doi:

<http://dx.doi.org/10.1136/bmj.39493.511759.BE>(Published 20 March 2008)

Severe Burns – American Burn Association, National Burn Repository 2010

A sample of the assumed claim costs before application of selection factors are presented in attached Exhibit A.

Given the benefit design and the nature of the benefits provided, no benefit categories are assumed to be subject to significant medical trend.

V. Total Termination

Total termination rates are equal to the following:

$$1 - (1 - q^m) * (1 - q^v)$$

where q^m represents the mortality decrement and q^v represents the voluntary lapse rate.

Assumed mortality is based on the 1990-95 Select and Ultimate mortality table. The assumed total termination rates are based upon recent industry experience for similar products.

Total Termination rates are assumed as follows:

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Years 9+
24.4%	18.8%	15.4%	11.7%	10.7%	10.5%	10.3%	8.3%	7.3%

Under the alternate premium structure when policies go to attained age rates the termination rate for the 1st year of attained age rating is assumed to be 20%. Policies terminate at attained age 70 regardless of issue age or policy year.

VI. Expenses and Interest Rates

The following expenses, which reflect costs associated with a third party administrator, were assumed in pricing the referenced policy form.

Enrollment Costs:	3% of premium
Maintenance Costs:	9% of premium
Premium Tax and Assessments:	2.5% of premium
Commissions and Sales Expenses:	18% of premium on a present value basis. This may be paid on either a level basis in all years or an actuarially equivalent amount with higher first year commissions and lower commissions in subsequent years.

Investment Income: 3.25% on cash flows

Interest rates: 3.5% for discounting, consistent with the valuation interest rate for policies of this type issued in 2013

VII. Marketing Method

The referenced policy/rider forms will be marketed in the worksite and association markets by an agency distribution force that also markets other products for the company.

VIII. Underwriting

This policy form is generally underwritten based on a simplified application with yes/no questions. In certain large groups coverage for the primary insured may be underwritten on a guaranteed issue or contingent guaranteed issue basis (dependent coverage will be subject to simplified issue) if certain participation requirements are met.

The assumed underwriting selection factor for use against ultimate claim costs is 1.00 in all years

IX. Premium Cells and Issue Age Range

Policyholders will be divided into different premium cells based on issue age, family composition (Individual, Individual and Child(ren), Individual and Spouse, or Individual, Spouse and Child(ren)), benefit amount, coverage selected and tobacco use.

Rates will not vary by gender. At time of issue, enrollees may be able to select from two different, but actuarially equivalent premium rating structures:

- 1) Premiums will be based on issue age and are anticipated to be level from inception to termination at age 70; or
- 2) Premiums will be based on issue age and are anticipated to be level from inception to attained age 50 or 10 years if longer. Thereafter premiums will be based on attained age until termination at age 70.

Proposed gross monthly premiums for the two rate structures are shown in attached Exhibit B.

Policies will be issued to individuals at ages 18 through 69 and are guaranteed renewable to the primary insured's attainment of age 70.

X. Group Discounts and Experience Rating

A premium discount of up to 20% is available for enrollees from certain large groups where either distribution expenses are reduced or where underwriting selection is anticipated due to employer contributions increasing participation.

Renewal rates for large groups may also be subject to an experience adjustment when experience is at least partially credible. Credibility will be based on the number of diagnosed claims within a group. The percentage of credibility will be based on the formula:
$$\frac{\text{Square root of claims incurred}}{\text{Square root of 1082 (full credibility)}}$$

Examples of calculated credibility levels are as follows:

Claims	Credibility
1082	100%
685	80%
481	67%
271	50%
68	25%
30	17%
17	13%
11	10%

XI. Area Factors

Gross annual premiums for these policies will not vary based on the insured's residence location (ZIP3).

XII. Distribution of Business and Average Annual Premium

The assumed distribution of issued policies by issue age, gender, family status, tobacco usage, rating structure and benefit options are shown in Exhibit C.

Using the assumed distributions and the proposed premiums, the anticipated average annual premium is \$241.35.

XIII. Premium Modalization

The following premium modalization factors will be applied in billing calculations.

Annual mode	12 x Monthly
Semi-annual mode	6 x Monthly
Quarterly mode	3 x Monthly
Semi-monthly	divide monthly rate by 2
Bi-weekly	multiply monthly rate by .462
Weekly	multiply monthly rate by .231

The premiums for the monthly payment mode are shown on attached Exhibit C.

XIV. Active Life Reserves

Active life reserves will be calculated on a two-year-preliminary-term basis using pricing claim cost assumptions with a load for conservatism and 1990-95 Select and Ultimate mortality table. Voluntary lapse rates and discount rates assumed will comply with the NAIC Health Insurance Reserves Model Regulation and any applicable state regulations. Active life reserves were not used in the calculation of anticipated loss ratios.

XV. Claim Liability and Reserves

This is a new filing of this form; there are no claim reserves or liabilities at this time. The claim reserve at any point in time will consist of (a) incurred but unreported claims and (b) unpaid claims which have been reported and are in the course of settlement.

Claim reserves will be determined using a "claim lag" methodology whereby a history of claims paid by incurral data will be maintained and such "claim run-off" will then be used to estimate the level of claim reserves.

XVI. Trend Assumptions

Given the benefit design and the nature of the benefits provided, no benefit categories are assumed to be subject to significant medical trend.

XVII. Anticipated Loss Ratios

The minimum loss ratio standard for policies of this type is 55%. Expected durational loss ratios are shown on Exhibit D. The anticipated lifetime loss ratio is 55.0% on a discounted basis. Active life reserves were not used in the calculation of anticipated loss ratios.

XVIII. Contingency and Risk Margins and Company Retention

This policy form has been priced with an expected after-tax contingency and risk margin equal to 8.1% of the present-value of lifetime premiums.

XIX. Proposed Effective Date

The proposed rates will be effective upon approval. Future rate increases are not anticipated at this time.

XX. Data Reliance

In completing the pricing analysis and filing materials for these policy forms, I relied on expected sales data provided by the company. I reviewed the data for internal consistency but did not perform a detailed audit. My review indicates that there are no known errors or limitations in the data which would be material to the analysis conducted or the conclusions drawn from the analysis.

XXI. Actuarial Certification

I hereby certify that I am a Member of the Society of Actuaries and the American Academy of Actuaries and meet the Academy's qualification standards for issuing this statement of actuarial opinion.

I further certify that, to the best of my knowledge and judgment, the following are true with respect to this filing:

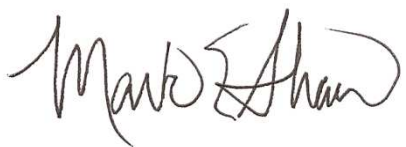
The entire rate filing is in compliance with the applicable laws of the state in which it is filed;

The entire rate filing complies with all applicable Actuarial Standards of Practice;

The expected loss ratio meets the minimum requirements of the state in which it is filed;

The benefits are reasonable in relation to the proposed premiums; and

The premium schedule is not excessive, inadequate, or unfairly discriminatory.



Mark E. Shaw, FSA, MAAA, CERA
Senior Consulting Actuary
United Health Actuarial Services, Inc.
phone: 414-469-0407
email: mshaw@uhasinc.com

March 14, 2013

Date

Attachments:

- Exhibit A – Sample Claim Costs
- Exhibit B – Proposed Gross Premiums
- Exhibit C – Anticipated Distribution of Business
- Exhibit D – Anticipated Durational Loss Ratios

Exhibit A - Sample Claim Costs

Claim Costs Per \$1,000						
Attained	Category 1		Category 2		Category 3	
Age	Male	Female	Male	Female	Male	Female
15	0.24	0.20	0.22	0.20	0.17	0.17
20	0.24	0.20	0.29	0.31	0.28	0.28
25	0.24	0.20	0.42	0.53	0.28	0.28
30	0.34	0.27	0.56	0.89	0.39	0.39
35	0.57	0.53	0.77	1.44	0.40	0.40
40	0.86	0.83	1.22	2.34	0.52	0.52
45	2.09	2.05	2.23	3.65	0.64	0.64
50	3.84	3.48	4.29	5.17	1.14	1.14
55	6.23	5.28	7.74	6.98	1.31	1.31
60	10.23	8.74	12.73	9.41	1.98	1.98
65	8.97	7.54	9.62	6.18	1.88	1.88
70	10.96	9.13	12.62	7.56	2.08	2.08

Tobacco Use Factors		
Attained	Claim Cost Multiples	
	NON	
Age	Tobacco	Tobacco
18	98.2%	108.1%
20	98.2%	108.1%
25	96.5%	115.8%
30	94.9%	123.3%
35	92.5%	134.1%
40	91.4%	139.0%
45	89.2%	149.0%
50	87.4%	157.3%
55	87.4%	157.3%
60	87.4%	157.3%
65	87.6%	156.7%
70	88.2%	153.5%

Exhibit B - Proposed Gross Monthly Premiums

Issue Age Rates, Level to Age 70								
Monthly Premium Rates per \$2,500 Benefit								
Cancer Only - Non-Tobacco User								
	Male				Female			
Issue Age	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
18-29	0.46	0.50	0.77	0.81	0.60	0.64	0.84	0.88
30-39	0.91	0.95	1.49	1.53	1.15	1.19	1.60	1.64
40-49	1.82	1.86	2.73	2.77	1.83	1.87	2.73	2.77
50-59	3.30	3.33	4.56	4.59	2.53	2.56	4.19	4.22
60-64	4.18	4.20	5.54	5.56	2.75	2.77	4.83	4.85
65-69	3.26	3.28	4.24	4.26	1.99	2.01	3.62	3.64
All Base Benefits - Non-Tobacco User								
	Male				Female			
Issue Age	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
18-29	0.87	0.97	1.37	1.47	0.98	1.08	1.42	1.52
30-39	1.77	1.86	2.73	2.82	1.93	2.02	2.79	2.88
40-49	3.47	3.54	5.12	5.19	3.30	3.37	5.03	5.10
50-59	6.08	6.12	8.50	8.54	4.89	4.93	7.93	7.97
60-64	7.80	7.83	10.69	10.72	5.83	5.86	9.73	9.76
65-69	6.35	6.37	8.59	8.61	4.56	4.58	7.74	7.76
Optional Benefits Only - Non-Tobacco User								
	Male				Female			
Issue Age	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
18-29	0.12	0.15	0.18	0.21	0.12	0.15	0.18	0.21
30-39	0.16	0.19	0.24	0.27	0.16	0.19	0.24	0.27
40-49	0.28	0.31	0.42	0.45	0.28	0.31	0.42	0.45
50-59	0.52	0.53	0.76	0.77	0.52	0.53	0.76	0.77
60-64	0.75	0.75	1.10	1.10	0.75	0.75	1.10	1.10
65-69	0.58	0.58	0.84	0.84	0.58	0.58	0.84	0.84

Base Benefits Excluding Cancer - Non-Tobacco User								
	Male				Female			
Issue Age	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
18-29	0.41	0.47	0.60	0.66	0.38	0.44	0.58	0.64
30-39	0.86	0.91	1.24	1.29	0.78	0.83	1.19	1.24
40-49	1.65	1.68	2.39	2.42	1.47	1.50	2.30	2.33
50-59	2.78	2.79	3.94	3.95	2.36	2.37	3.74	3.75
60-64	3.62	3.63	5.15	5.16	3.08	3.09	4.90	4.91
65-69	3.09	3.09	4.35	4.35	2.57	2.57	4.12	4.12

Issue Age Rates, Level to Age 70								
Monthly Premium Rates per \$2,500 Benefit								
Cancer Only - Tobacco User								
	Male				Female			
Issue Age	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
18-29	0.72	0.76	1.21	1.25	0.94	0.98	1.30	1.34
30-39	1.56	1.60	2.51	2.55	1.89	1.93	2.67	2.71
40-49	3.25	3.29	4.85	4.89	3.23	3.27	4.86	4.90
50-59	5.93	5.96	8.20	8.23	4.55	4.58	7.52	7.55
60-64	7.49	7.51	9.92	9.94	4.92	4.94	8.67	8.69
65-69	5.78	5.80	7.52	7.54	3.52	3.54	6.41	6.43
All Base Benefits - Tobacco User								
	Male				Female			
Issue Age	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
18-29	1.39	1.49	2.14	2.24	1.52	1.62	2.22	2.32
30-39	2.99	3.08	4.60	4.69	3.20	3.29	4.70	4.79
40-49	6.17	6.24	9.09	9.16	5.83	5.90	8.92	8.99
50-59	10.92	10.96	15.31	15.35	8.82	8.86	14.28	14.32
60-64	13.99	14.02	19.19	19.22	10.47	10.50	17.47	17.50
65-69	11.23	11.25	15.24	15.26	8.09	8.11	13.71	13.73
Optional Benefits Only - Tobacco User								
	Male				Female			
Issue Age	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
18-29	0.17	0.20	0.25	0.28	0.17	0.20	0.25	0.28
30-39	0.26	0.29	0.40	0.43	0.26	0.29	0.40	0.43
40-49	0.52	0.55	0.77	0.80	0.52	0.55	0.77	0.80
50-59	0.93	0.94	1.40	1.41	0.93	0.94	1.40	1.41
60-64	1.34	1.34	2.00	2.00	1.34	1.34	2.00	2.00
65-69	1.01	1.01	1.51	1.51	1.01	1.01	1.51	1.51
Base Benefits Excluding Cancer - Tobacco User								
	Male				Female			
Issue Age	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
18-29	0.67	0.73	0.93	0.99	0.58	0.64	0.92	0.98
30-39	1.43	1.48	2.09	2.14	1.31	1.36	2.03	2.08
40-49	2.92	2.95	4.24	4.27	2.60	2.63	4.06	4.09
50-59	4.99	5.00	7.11	7.12	4.27	4.28	6.76	6.77
60-64	6.50	6.51	9.27	9.28	5.55	5.56	8.80	8.81
65-69	5.45	5.45	7.72	7.72	4.57	4.57	7.30	7.30

Issue Age Rates, Level to Age 50 or 10 Years, if later

Monthly Premium Rates per \$2,500 Benefit

Cancer Only - Non-Tobacco User								
	Male				Female			
Issue Age	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
18-29	0.25	0.30	0.47	0.52	0.42	0.47	0.54	0.59
30-39	0.45	0.49	0.85	0.89	0.81	0.85	1.04	1.08
40-49	1.18	1.22	1.95	1.99	1.54	1.58	2.13	2.17
50-54	2.66	2.69	3.83	3.86	2.36	2.39	3.69	3.72
55-59	3.99	4.02	5.47	5.50	2.94	2.97	4.95	4.98
60-64	4.49	4.51	5.97	5.99	3.00	3.02	5.23	5.25
65-69	3.65	3.67	4.78	4.80	2.26	2.28	4.08	4.10
All Base Benefits - Non-Tobacco User								
	Male				Female			
Issue Age	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
18-29	0.49	0.58	0.81	0.90	0.63	0.72	0.88	0.97
30-39	0.92	1.00	1.54	1.62	1.27	1.35	1.73	1.81
40-49	2.37	2.45	3.70	3.78	2.66	2.74	3.84	3.92
50-54	4.91	4.98	7.06	7.13	4.29	4.36	6.74	6.81
55-59	7.32	7.38	10.21	10.27	5.78	5.84	9.43	9.49
60-64	8.43	8.49	11.61	11.67	6.34	6.40	10.56	10.62
65-69	7.14	7.19	9.73	9.78	5.17	5.22	8.74	8.79
Optional Benefits Only - Non-Tobacco User								
	Male				Female			
Issue Age	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
18-29	0.08	0.11	0.12	0.15	0.08	0.11	0.12	0.15
30-39	0.08	0.11	0.13	0.16	0.08	0.11	0.13	0.16
40-49	0.19	0.22	0.29	0.32	0.19	0.22	0.29	0.32
50-54	0.38	0.41	0.57	0.60	0.38	0.41	0.57	0.60
55-59	0.64	0.66	0.96	0.98	0.64	0.66	0.96	0.98
60-64	0.80	0.82	1.20	1.22	0.80	0.82	1.20	1.22
65-69	0.64	0.66	0.97	0.99	0.64	0.66	0.97	0.99

Base Benefits Excluding Cancer - Non-Tobacco User								
	Male				Female			
Issue Age	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
18-29	0.24	0.28	0.34	0.38	0.21	0.25	0.34	0.38
30-39	0.47	0.51	0.69	0.73	0.46	0.50	0.69	0.73
40-49	1.19	1.23	1.75	1.79	1.12	1.16	1.71	1.75
50-54	2.25	2.29	3.23	3.27	1.93	1.97	3.05	3.09
55-59	3.33	3.36	4.74	4.77	2.84	2.87	4.48	4.51
60-64	3.94	3.98	5.64	5.68	3.34	3.38	5.33	5.37
65-69	3.49	3.52	4.95	4.98	2.91	2.94	4.66	4.69

Issue Age Rates, Level to Age 50 or 10 Years, if later								
Monthly Premium Rates per \$2,500 Benefit								
Cancer Only - Tobacco User								
	Male				Female			
Issue Age	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
18-29	0.37	0.42	0.67	0.72	0.60	0.65	0.78	0.83
30-39	0.72	0.76	1.35	1.39	1.25	1.29	1.61	1.65
40-49	2.07	2.11	3.42	3.46	2.70	2.74	3.73	3.77
50-54	4.79	4.82	6.91	6.94	4.24	4.27	6.64	6.67
55-59	7.18	7.21	9.83	9.86	5.31	5.34	8.89	8.92
60-64	8.03	8.05	10.71	10.73	5.36	5.38	9.38	9.40
65-69	6.46	6.48	8.45	8.47	3.99	4.01	7.22	7.24
All Base Benefits - Tobacco User								
	Male				Female			
Issue Age	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
18-29	0.71	0.80	1.16	1.25	0.91	1.00	1.26	1.35
30-39	1.45	1.53	2.44	2.52	1.97	2.05	2.70	2.78
40-49	4.16	4.24	6.49	6.57	4.65	4.73	6.73	6.81
50-54	8.83	8.90	12.70	12.77	7.72	7.79	12.13	12.20
55-59	13.16	13.22	18.36	18.42	10.39	10.45	16.97	17.03
60-64	15.11	15.17	20.79	20.85	11.37	11.43	18.92	18.98
65-69	12.63	12.68	17.21	17.26	9.15	9.20	15.47	15.52
Optional Benefits Only - Tobacco User								
	Male				Female			
Issue Age	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
18-29	0.11	0.14	0.17	0.20	0.11	0.14	0.17	0.20
30-39	0.13	0.16	0.20	0.23	0.13	0.16	0.20	0.23
40-49	0.34	0.37	0.50	0.53	0.34	0.37	0.50	0.53
50-54	0.69	0.72	1.03	1.06	0.69	0.72	1.03	1.06
55-59	1.15	1.17	1.73	1.75	1.15	1.17	1.73	1.75
60-64	1.44	1.46	2.16	2.18	1.44	1.46	2.16	2.18
65-69	1.14	1.16	1.71	1.73	1.14	1.16	1.71	1.73

Base Benefits Excluding Cancer - Tobacco User								
	Male				Female			
Issue Age	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
18-29	0.34	0.38	0.49	0.53	0.31	0.35	0.48	0.52
30-39	0.73	0.77	1.09	1.13	0.72	0.76	1.09	1.13
40-49	2.09	2.13	3.07	3.11	1.95	1.99	3.00	3.04
50-54	4.04	4.08	5.79	5.83	3.48	3.52	5.49	5.53
55-59	5.98	6.01	8.53	8.56	5.08	5.11	8.08	8.11
60-64	7.08	7.12	10.08	10.12	6.01	6.05	9.54	9.58
65-69	6.17	6.20	8.76	8.79	5.16	5.19	8.25	8.28

Attained Age Rates

Attained Age	Cancer Only - Non-Tobacco							
	Male				Female			
	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
50	1.49	1.53	2.39	2.43	1.80	1.84	2.54	2.58
51	1.68	1.72	2.64	2.68	1.91	1.95	2.75	2.79
52	1.86	1.90	2.87	2.91	2.02	2.06	2.95	2.99
53	2.10	2.14	3.17	3.21	2.14	2.18	3.19	3.23
54	2.40	2.43	3.54	3.57	2.28	2.31	3.48	3.51
55	2.69	2.73	3.90	3.94	2.43	2.47	3.77	3.81
56	2.99	3.02	4.27	4.30	2.57	2.60	4.07	4.10
57	3.27	3.30	4.62	4.65	2.71	2.74	4.34	4.37
58	3.60	3.64	5.04	5.08	2.87	2.91	4.67	4.71
59	4.01	4.04	5.55	5.58	3.07	3.10	5.08	5.11
60	4.43	4.46	6.06	6.09	3.27	3.30	5.48	5.51
61	4.84	4.87	6.57	6.60	3.47	3.50	5.89	5.92
62	5.23	5.26	7.06	7.09	3.66	3.69	6.28	6.31
63	5.65	5.68	7.57	7.60	3.85	3.88	6.67	6.70
64	6.17	6.19	8.20	8.22	4.07	4.09	7.16	7.18
65	3.35	3.38	4.43	4.46	2.15	2.18	3.83	3.86
66	3.61	3.64	4.75	4.78	2.27	2.30	4.08	4.11
67	3.87	3.89	5.06	5.08	2.38	2.40	4.32	4.34
68	4.03	4.05	5.26	5.28	2.46	2.48	4.47	4.49
69	4.23	4.25	5.51	5.53	2.56	2.58	4.67	4.69

Attained Age	Cancer Only - Tobacco User							
	Male				Female			
	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
50	2.68	2.72	4.30	4.34	3.24	3.28	4.58	4.62
51	3.03	3.07	4.75	4.79	3.44	3.48	4.96	5.00
52	3.35	3.39	5.17	5.21	3.64	3.68	5.31	5.35
53	3.78	3.82	5.70	5.74	3.85	3.89	5.74	5.78
54	4.31	4.34	6.37	6.40	4.11	4.14	6.27	6.30
55	4.84	4.88	7.03	7.07	4.37	4.41	6.79	6.83
56	5.38	5.41	7.69	7.72	4.63	4.66	7.32	7.35
57	5.88	5.91	8.32	8.35	4.87	4.90	7.82	7.85
58	6.48	6.52	9.07	9.11	5.17	5.21	8.41	8.45
59	7.22	7.25	9.99	10.02	5.53	5.56	9.14	9.17
60	7.97	8.00	10.91	10.94	5.89	5.92	9.87	9.90
61	8.70	8.73	11.83	11.86	6.25	6.28	10.60	10.63
62	9.41	9.44	12.71	12.74	6.60	6.63	11.30	11.33
63	10.17	10.20	13.63	13.66	6.93	6.96	12.01	12.04
64	11.10	11.12	14.77	14.79	7.33	7.35	12.89	12.91

65	6.00	6.03	7.92	7.95	3.85	3.88	6.85	6.88
66	6.43	6.46	8.45	8.48	4.04	4.07	7.26	7.29
67	6.84	6.86	8.95	8.97	4.22	4.24	7.64	7.66
68	7.09	7.11	9.26	9.28	4.33	4.35	7.88	7.90
69	7.40	7.42	9.64	9.66	4.48	4.50	8.18	8.20

Attained Age Rates

Attained Age	All Base Benefits - Non-Tobacco							
	Male				Female			
	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
50	2.99	3.09	4.59	4.69	3.18	3.28	4.68	4.78
51	3.30	3.39	4.98	5.07	3.36	3.45	5.01	5.10
52	3.58	3.67	5.35	5.44	3.54	3.63	5.33	5.42
53	3.98	4.06	5.86	5.94	3.77	3.85	5.76	5.84
54	4.45	4.54	6.48	6.57	4.06	4.15	6.29	6.38
55	4.95	5.02	7.11	7.18	4.35	4.42	6.82	6.89
56	5.44	5.52	7.77	7.85	4.65	4.73	7.37	7.45
57	5.92	6.00	8.40	8.48	4.94	5.02	7.91	7.99
58	6.53	6.60	9.20	9.27	5.35	5.42	8.62	8.69
59	7.27	7.34	10.19	10.26	5.85	5.92	9.48	9.55
60	8.01	8.09	11.19	11.27	6.34	6.42	10.35	10.43
61	8.76	8.82	12.18	12.24	6.84	6.90	11.22	11.28
62	9.47	9.53	13.13	13.19	7.32	7.38	12.05	12.11
63	10.47	10.53	14.45	14.51	7.96	8.02	13.20	13.26
64	11.70	11.75	16.07	16.12	8.75	8.80	14.60	14.65
65	6.47	6.53	8.86	8.92	4.78	4.84	8.01	8.07
66	7.10	7.15	9.69	9.74	5.18	5.23	8.73	8.78
67	7.70	7.75	10.48	10.53	5.57	5.62	9.42	9.47
68	7.88	7.93	10.71	10.76	5.67	5.72	9.61	9.66
69	8.10	8.15	10.99	11.04	5.79	5.84	9.83	9.88

Attained Age	All Base Benefits - Tobacco User							
	Male				Female			
	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
50	5.39	5.49	8.25	8.35	5.72	5.82	8.42	8.52
51	5.93	6.02	8.96	9.05	6.05	6.14	9.02	9.11
52	6.45	6.54	9.64	9.73	6.37	6.46	9.60	9.69
53	7.15	7.23	10.55	10.63	6.79	6.87	10.37	10.45
54	8.02	8.11	11.67	11.76	7.31	7.40	11.32	11.41
55	8.89	8.96	12.80	12.87	7.82	7.89	12.27	12.34
56	9.79	9.87	13.98	14.06	8.37	8.45	13.27	13.35
57	10.66	10.74	15.11	15.19	8.90	8.98	14.23	14.31

58	11.75	11.82	16.57	16.64	9.63	9.70	15.51	15.58
59	13.09	13.16	18.35	18.42	10.53	10.60	17.07	17.14
60	14.43	14.51	20.14	20.22	11.42	11.50	18.64	18.72
61	15.76	15.82	21.92	21.98	12.32	12.38	20.19	20.25
62	17.04	17.10	23.63	23.69	13.17	13.23	21.69	21.75
63	18.84	18.90	26.01	26.07	14.34	14.40	23.76	23.82
64	21.05	21.10	28.93	28.98	15.76	15.81	26.28	26.33
65	11.59	11.65	15.86	15.92	8.55	8.61	14.35	14.41
66	12.63	12.68	17.24	17.29	9.23	9.28	15.54	15.59
67	13.62	13.67	18.55	18.60	9.86	9.91	16.67	16.72
68	13.87	13.92	18.85	18.90	9.98	10.03	16.91	16.96
69	14.17	14.22	19.23	19.28	10.12	10.17	17.21	17.26

Attained Age Rates

Attained Age	Base Benefits plus Optional Benefits - Non-Tobacco							
	Male				Female			
	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
50	3.22	3.34	4.93	5.05	3.41	3.53	5.02	5.14
51	3.55	3.67	5.36	5.48	3.61	3.73	5.39	5.51
52	3.85	3.97	5.76	5.88	3.81	3.93	5.74	5.86
53	4.28	4.39	6.31	6.42	4.07	4.18	6.21	6.32
54	4.79	4.90	6.99	7.10	4.40	4.51	6.80	6.91
55	5.32	5.42	7.67	7.77	4.72	4.82	7.38	7.48
56	5.86	5.96	8.40	8.50	5.07	5.17	8.00	8.10
57	6.38	6.49	9.09	9.20	5.40	5.51	8.60	8.71
58	7.05	7.14	9.98	10.07	5.87	5.96	9.40	9.49
59	7.86	7.95	11.07	11.16	6.44	6.53	10.36	10.45
60	8.66	8.76	12.17	12.27	6.99	7.09	11.33	11.43
61	9.54	9.62	13.34	13.42	7.62	7.70	12.38	12.46
62	10.39	10.47	14.51	14.59	8.24	8.32	13.43	13.51
63	11.52	11.60	16.02	16.10	9.01	9.09	14.77	14.85
64	12.88	12.95	17.84	17.91	9.93	10.00	16.37	16.44
65	7.12	7.20	9.84	9.92	5.43	5.51	8.99	9.07
66	7.77	7.83	10.69	10.75	5.85	5.91	9.73	9.79
67	8.38	8.45	11.50	11.57	6.25	6.32	10.44	10.51
68	8.57	8.63	11.74	11.80	6.36	6.42	10.64	10.70
69	8.79	8.85	12.02	12.08	6.48	6.54	10.86	10.92

Attained Age	Base Benefits plus Optional Benefits - Tobacco User							
	Male				Female			
	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
50	5.80	6.02	8.86	9.08	6.13	6.35	9.03	9.25
51	6.38	6.59	9.64	9.85	6.50	6.71	9.70	9.91
52	6.94	7.15	10.38	10.59	6.86	7.07	10.34	10.55
53	7.69	7.88	11.37	11.56	7.33	7.52	11.19	11.38
54	8.63	8.83	12.58	12.78	7.92	8.12	12.23	12.43
55	9.56	9.73	13.80	13.97	8.49	8.66	13.27	13.44
56	10.54	10.72	15.11	15.29	9.12	9.30	14.40	14.58
57	11.49	11.68	16.36	16.55	9.73	9.92	15.48	15.67
58	12.69	12.85	17.98	18.14	10.57	10.73	16.92	17.08
59	14.15	14.31	19.94	20.10	11.59	11.75	18.66	18.82
60	15.61	15.79	21.90	22.08	12.60	12.78	20.40	20.58
61	17.16	17.30	24.01	24.15	13.72	13.86	22.28	22.42
62	18.70	18.84	26.12	26.26	14.83	14.97	24.18	24.32
63	20.72	20.86	28.84	28.98	16.22	16.36	26.59	26.73
64	23.17	23.29	32.11	32.23	17.88	18.00	29.46	29.58
65	12.76	12.90	17.62	17.76	9.72	9.86	16.11	16.25
66	13.82	13.93	19.02	19.13	10.42	10.53	17.32	17.43
67	14.83	14.95	20.36	20.48	11.07	11.19	18.48	18.60
68	15.08	15.19	20.66	20.77	11.19	11.30	18.72	18.83
69	15.37	15.48	21.03	21.14	11.32	11.43	19.01	19.12

Attained Age Rates

Attained	Base Benefits Excluding Cancer - Non-Tobacco User							
	Male				Female			
Age	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
50	1.50	1.56	2.20	2.26	1.38	1.44	2.14	2.20
51	1.62	1.67	2.34	2.39	1.45	1.50	2.26	2.31
52	1.72	1.77	2.48	2.53	1.52	1.57	2.38	2.43
53	1.88	1.92	2.69	2.73	1.63	1.67	2.57	2.61
54	2.05	2.11	2.94	3.00	1.78	1.84	2.81	2.87
55	2.26	2.29	3.21	3.24	1.92	1.95	3.05	3.08
56	2.45	2.50	3.50	3.55	2.08	2.13	3.30	3.35
57	2.65	2.70	3.78	3.83	2.23	2.28	3.57	3.62
58	2.93	2.96	4.16	4.19	2.48	2.51	3.95	3.98
59	3.26	3.30	4.64	4.68	2.78	2.82	4.40	4.44
60	3.58	3.63	5.13	5.18	3.07	3.12	4.87	4.92
61	3.92	3.95	5.61	5.64	3.37	3.40	5.33	5.36
62	4.24	4.27	6.07	6.10	3.66	3.69	5.77	5.80
63	4.82	4.85	6.88	6.91	4.11	4.14	6.53	6.56
64	5.53	5.56	7.87	7.90	4.68	4.71	7.44	7.47
65	3.12	3.15	4.43	4.46	2.63	2.66	4.18	4.21
66	3.49	3.51	4.94	4.96	2.91	2.93	4.65	4.67
67	3.83	3.86	5.42	5.45	3.19	3.22	5.10	5.13
68	3.85	3.88	5.45	5.48	3.21	3.24	5.14	5.17
69	3.87	3.90	5.48	5.51	3.23	3.26	5.16	5.19

Attained Age	Base Benefits Excluding Cancer - Tobacco User							
	Male				Female			
	Individual	1-Parent	Ins/Sps	Family	Individual	1-Parent	Ins/Sps	Family
50	2.71	2.77	3.95	4.01	2.48	2.54	3.84	3.90
51	2.90	2.95	4.21	4.26	2.61	2.66	4.06	4.11
52	3.10	3.15	4.47	4.52	2.73	2.78	4.29	4.34
53	3.37	3.41	4.85	4.89	2.94	2.98	4.63	4.67
54	3.71	3.77	5.30	5.36	3.20	3.26	5.05	5.11
55	4.05	4.08	5.77	5.80	3.45	3.48	5.48	5.51
56	4.41	4.46	6.29	6.34	3.74	3.79	5.95	6.00
57	4.78	4.83	6.79	6.84	4.03	4.08	6.41	6.46
58	5.27	5.30	7.50	7.53	4.46	4.49	7.10	7.13
59	5.87	5.91	8.36	8.40	5.00	5.04	7.93	7.97
60	6.46	6.51	9.23	9.28	5.53	5.58	8.77	8.82
61	7.06	7.09	10.09	10.12	6.07	6.10	9.59	9.62
62	7.63	7.66	10.92	10.95	6.57	6.60	10.39	10.42
63	8.67	8.70	12.38	12.41	7.41	7.44	11.75	11.78
64	9.95	9.98	14.16	14.19	8.43	8.46	13.39	13.42
65	5.59	5.62	7.94	7.97	4.70	4.73	7.50	7.53
66	6.20	6.22	8.79	8.81	5.19	5.21	8.28	8.30
67	6.78	6.81	9.60	9.63	5.64	5.67	9.03	9.06
68	6.78	6.81	9.59	9.62	5.65	5.68	9.03	9.06
69	6.77	6.80	9.59	9.62	5.64	5.67	9.03	9.06

EXHIBIT C - Anticipated Distribution of Business

Distribution By Issue Age					
Issue Age	Cancer Only	Base Benefits	Optional Benefits	No Cancer	
				Base	Optional
18-29	10.4%	16.0%	16.0%	16.0%	16.0%
30-39	25.6%	24.9%	24.9%	24.9%	24.9%
40-49	28.0%	29.5%	29.5%	29.5%	29.5%
50-59	29.3%	24.2%	24.2%	24.2%	24.2%
60-64	5.3%	4.3%	4.3%	4.3%	4.3%
65-69	1.3%	1.1%	1.1%	1.1%	1.1%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%

Distribution By Family Status and Policy Size					
Base Benefit	Individual	Individual and Children	Individual and Spouse	Individual, Spouse & Children	TOTAL
\$5K	11.18%	4.47%	6.71%	22.35%	44.71%
\$10K	7.45%	2.98%	4.47%	14.90%	29.80%
\$15K	1.96%	0.78%	1.18%	3.92%	7.84%
\$20K	1.23%	0.49%	0.74%	2.45%	4.90%
\$25K	0.98%	0.39%	0.59%	1.96%	3.92%
\$30K	0.74%	0.29%	0.44%	1.47%	2.94%
\$35K	0.49%	0.20%	0.29%	0.98%	1.96%
\$40K	0.49%	0.20%	0.29%	0.98%	1.96%
\$45K	0.25%	0.10%	0.15%	0.49%	0.98%
\$50K	0.25%	0.10%	0.15%	0.49%	0.98%
TOTAL	25.00%	10.00%	15.00%	50.00%	100.00%

By Smoking Status	
Non-Tobacco User	83.3%
Tobacco User	16.7%

By Benefit Option			
Cancer Only			15.0%
Base Benefits			15.0%
Base + Optional Benefits			65.0%
Base (No Cancer)			1%
Base + Opt (No Cancer)			4%

By Premium Options			
Issue age only			30%
Issue age to age 50 or 10 years			70%
if longer, attained age thereafter			

By Gender - Individual Only			
	Male	45%	
	Female	55%	

Exhibit D

Anticipated Durational Loss Ratios

				Cumulative
	Earned	Incurred	Loss	Loss
<u>Pol Year</u>	<u>Premis+Fees</u>	<u>Claims</u>	<u>Ratio</u>	<u>Ratio</u>
1	211,754	83,807	39.6%	39.6%
2	164,753	70,907	43.0%	41.1%
3	135,732	63,379	46.7%	42.6%
4	116,501	58,716	50.4%	44.0%
5	102,692	55,765	54.3%	45.5%
6	90,775	52,824	58.2%	46.9%
7	79,877	50,425	63.1%	48.3%
8	70,706	48,871	69.1%	49.8%
9	63,373	42,145	66.5%	50.8%
10	56,986	41,690	73.2%	52.0%
11	69,528	41,703	60.0%	52.5%
12	63,858	39,273	61.5%	53.0%
13	57,409	36,254	63.2%	53.4%
14	42,992	28,780	66.9%	53.8%
15	41,988	28,687	68.3%	54.3%
16	45,508	28,494	62.6%	54.6%
17	43,687	27,420	62.8%	54.8%
18	38,497	24,612	63.9%	55.0%
19	34,138	22,247	65.2%	55.3%
20	34,184	22,331	65.3%	55.5%
21	23,097	16,176	70.0%	55.7%
22	22,763	15,879	69.8%	55.9%
23	22,309	15,535	69.6%	56.1%
24	21,390	14,933	69.8%	56.3%
25	15,770	11,758	74.6%	56.4%
26	11,943	8,635	72.3%	56.5%
27	11,629	8,287	71.3%	56.6%
28	11,390	8,010	70.3%	56.7%
29	11,408	7,887	69.1%	56.8%
30	11,559	7,841	67.8%	56.9%

Anticipated Durational Loss Ratios (continued)

				Cumulative
Policy	Earned	Incurred	Loss	Loss
Year	Premiums+Fees	Claims	Ratio	Ratio
31	7,333	5,425	74.0%	57.0%
32	7,355	5,326	72.4%	57.0%
33	7,280	5,136	70.5%	57.1%
34	7,002	4,854	69.3%	57.1%
35	4,847	3,551	73.3%	57.2%
36	2,727	2,278	83.5%	57.2%
37	2,696	2,152	79.8%	57.3%
38	2,646	2,025	76.5%	57.3%
39	2,659	1,949	73.3%	57.3%
40	2,707	1,897	70.1%	57.3%
41	1,421	1,117	78.6%	57.3%
42	1,417	1,044	73.7%	57.4%
43	1,405	973	69.2%	57.4%
44	1,321	876	66.3%	57.4%
45	664	474	71.4%	57.4%
46	24	88	369.8%	57.4%
47	16	57	364.0%	57.4%
48	9	34	362.9%	57.4%
49	5	20	366.1%	57.4%
50	3	11	368.7%	57.4%
Totals:	1,781,736	1,022,557	57.4%	
Present Values:	1,316,704	724,201	55.0%	